## CountyCare Update

Prepared for: CCH Managed Care Committee

James Kiamos
CEO, CountyCare
September 19, 2019



# **Board Metrics**



## **Current Membership**

### Monthly membership as of September 6, 2019

Category	Total Members	ACHN Members	% ACHN
FHP	211,329	17,244	8.2%
ACA	71,926	13,130	18.3%
ICP	29,552	5,927	20.1%
MLTSS	6,008	0	N/A
Total	318,816	36,301	11.4%

ACA: Affordable Care Act

ICP: Integrated Care Program

**FHP:** Family Health Plan **MLTSS:** Managed Long-Term Service and Support (Dual Eligible)

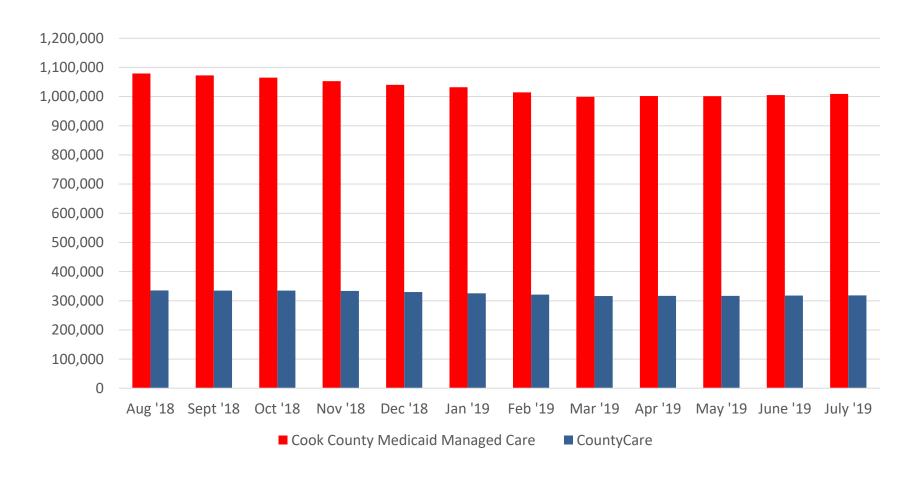
# Managed Medicaid Market

Illinois Department of Healthcare and Family Services July 2019 Data

Managed Care Organization	Cook County Enrollment	Cook County Market Share			
*CountyCare	318,207	31.6%			
Blue Cross Blue Shield	235,707	23.4%			
Meridian (a WellCare Co.)	229,757	22.8%			
IlliniCare (a Centene Co.)	110,390	11.0%			
Molina	66,139	6.6%			
*Next Level	47,853	4.7%			
Total	1,008,053	100.0%			

<sup>\*</sup> Only Operating in Cook County

# Medicaid Managed Care Trend



## 2019 Operations Metrics: Claims Payment

		Performance				
Key Metrics	State Goal	May	Jun	Jul		
Claims Payment Turnaround Time						
% of Clean Claims Adjudicated < 30 days	90%	95.9%	97.4%	97.4%		
% of Claims Paid < 30 days	90%	44.0%	40.7%	44.9%		

# 2018-2019 Operations Metrics: Overall Care Management Performance

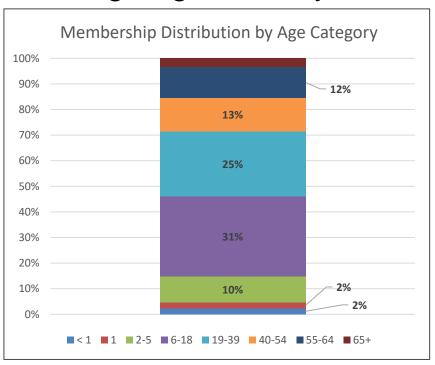
		Performance						
Key Metrics	Market %	May	Jun	Jul				
Completed HPS/HPA (all populations)								
Completed HRS/HRA (all populations)  Overall Performance	40%	63.0%	63.3%	64.6%				
Completed Care Plans on High Risk Members								
Overall Performance	65%	61.9%	61.5%	61.7%				

CountyCare's high-risk percentage exceeds the State's requirement of 2% for Family Health Plan and 5% for Integrated Care Program

## Overall Member Age Distribution

Age Category	Membership				
< 1	7,946				
1	8,119				
2-5	33,625				
6-18	105,896				
19-39	85,131				
40-54	44,609				
55-64	40,168				
65+	11,557				

## Average Age = 27.1 years



## ACA Member Age Distribution

Age Category	Membership
19-39	35,772
40-54	22,179
55-64	23,315
65+	1,013

Average Age = 42.5 years

# Medicare Advantage



## Medicare 101

#### Traditional Medicare (Also known as Original Medicare)

 Original Fee-for-Service government program with no specified network, no care management, no supplemental benefits. Part D for prescription drugs is purchased separately.

#### Medicare Supplement

- Optional private insurance purchased in conjunction with "traditional" Medicare to cover benefits/costs not covered by the government program.
- Typically has a premium of \$75+ per month, which is often considered too costly for low income beneficiaries. Part D is purchased separately.

#### Medicare Advantage

- Private insurance alternative to traditional Medicare; Offered by private companies that have a contract with The Centers for Medicare & Medicaid Services (CMS)
- Covers CMS-defined benefits plus supplemental benefits that go beyond Medicare
- Typically includes care management, disease management, and other programs aimed at keeping people healthy

## Traditional Medicare vs. Medicare Advantage

BENEFIT COMPARISON	ORIGINAL MEDICARE	MEDICARE ADVANTAGE
Doctor visits	✓	✓
Hospital stays	✓	✓
Monthly plan premium	✓	
Deductible on doctor and hospital visits	✓	
Predictable out of pocket costs		✓
Part D – drugs coverage		✓
Dental		✓
Vision		✓
Hearing		✓
Transportation		✓
Over The Counter (OTC) card		✓
Healthy Food*		✓
Gym membership*		✓

<sup>\*</sup>Included in some Medicare Advantage plans

## Medicare Advantage Market

- Growing amount (828,439) of Medicare beneficiaries in Cook County
- Current Medicare Advantage (MA) market penetration is 27% compared to national average of 33%
- Market penetration has been growing steadily in Cook County and nationally
- Top 5 plans in market represent 77% of total market share with no single dominant player

## Age-in Populations and Continuity of Care

- Aligns with Strategic Plan
- Within CountyCare and Cook County Health
  - Significant Medicare populations in 2020
  - Every year thousands of CountyCare members "graduate" into Medicare
  - Cook County Health system has 14,000 Medicare patients currently being served
  - This will allow us to maintain these patients as Medicare Advantage expands

## Medicare Advantage Partnership

## Initially explored solo path

- Requires Illinois Department of Insurance licensure
- Did not meet certain requirements

## Alternate strategy of partnership

- CCH Health Plan Services retained as contractor
- Paid percent of premium to manage risk of members
- Perform health plan services under a contract
- Non-exclusive arrangements

## Medical Home Network Partnership





- Cook County Health (CCH) and Medical Home Network (MHN) have been partners since CountyCare's inception
- Shared Foundation
- **CCH has a 180 year history** of providing access and quality care to all Cook County residents
- MHN was founded in 2009 by the Comer Family Foundation to transform healthcare delivery for the Medicaid population
- Unparalleled experience
- Understanding the whole-person needs of Cook County's underserved residents
- Redesigning health care delivery and care management for the safety-net
- Building patient relationships beyond 4 walls of practice
- Achieving better health outcomes, costs and engagement outperforming other Medicaid programs

# Relationship between Medical Home Network (MHN) and Medicare Advantage Delivery Innovations (MADI)/dba MoreCare

- MHN a not for profit 501c3 whose mission is to transform healthcare and reduce disparities in the safety-net.
- MADI/dba MoreCare a fully owned subsidiary of MHN.
- MADI established as a for profit to enable access to capital if needed.
- MHN ACO is an LLC owned by the 13 safety-net providers. It is managed by MHN, but MHN has no ownership of the entity only the providers own it.
- MHN ACO is a high performing longstanding provider partner of CountyCare

## MoreCare Health Plan Launching in 2020



A Medical Home Network Affiliate

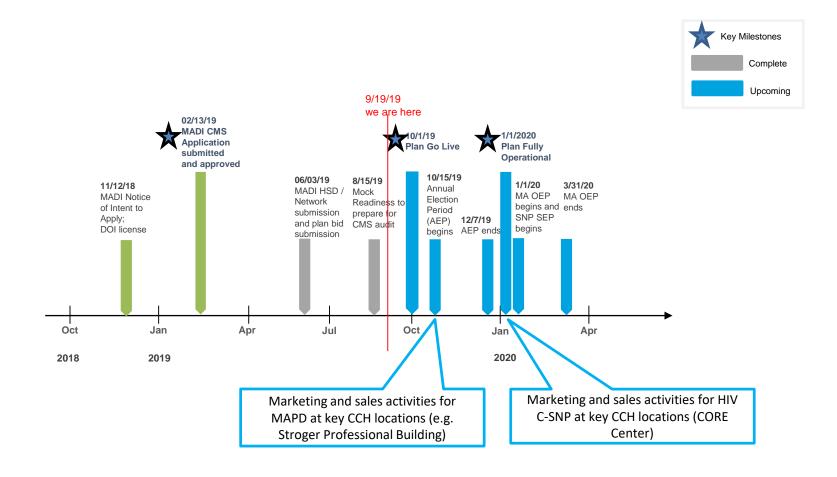
**Products Overview** 

MoreCare For You	General Medicare Advantage Plan with Prescription Drugs (MAPD)	Any Medicare-eligible beneficiary
MoreCare Home	Institutional Special Needs Plan (I-SNP)	<ul> <li>Any Medicare-eligible person who lives in an institution (e.g. nursing home)</li> </ul>
MoreCare At Home	Institutional Equivalent Special Needs Plan (IE-SNP)	Any Medicare eligible person who lives at home but requires nursing level of care
MoreCare +	Chronic Condition Special Needs Plan for HIV (C-SNP/HIV-SNP)	<ul> <li>Any Medicare eligible person with a diagnosis of HIV</li> </ul>

# Division of Responsibility Structure

Area of Focus	MADI	ССН
CMS Contract Holder	✓	
IL Insurance License	$\checkmark$	
Marketing & Sales	✓	
Compliance	$\checkmark$	
Health Plan Operations		$\checkmark$
Program Development	$\checkmark$	$\checkmark$
Provider Network		$\checkmark$
Health Plan Policy		$\checkmark$
Finance	$\checkmark$	✓
Benefits Design		$\checkmark$
Actuarial Services		✓
Delegated Care Management		$\checkmark$
Vendor Management		✓

## Timeline of Initiative



## Financial Assumptions

- A strategy evaluation 5 year pro forma was developed after the initial Sr. Management Meeting on 07/27/18 in which Board members also were invited to attend.
- Medicare requires investment in upfront resources to ensure compliance with all CMS requirements.
- Estimated break-even membership is 5,375.
- At 10,000 lives, we expect a net surplus of greater than \$7 million annually.

## **Financial Assumptions**

- First year membership enrollment target is 1,250.
- Plan is expected to realize additional financial benefit to Cook County Health from utilization occurring at Cook County Health facilities.
- The pro forma assumes similar in-house utilization assumptions as is being achieved within CountyCare.
- Medicare provider network is a much smaller subset of the current Medicaid network.

# Medicare Pro-Forma Summary

	N	1ed	licare Pro-For	ma S	Summary				
	2019	,	Year 1 - 2020		Year 2 - 2021	,	Year 3 - 2022	Year 4 - 2023	Year 5 - 2024
Membership			1,250		3,000		5,000	7,500	10,000
Revenue	\$ -	\$	24,919,757	\$	56,888,320	\$	93,884,370	\$ 140,005,277	\$ 187,933,467
Administrative Expense	\$ (7,840,728)	\$	(9,420,517)	\$	(11,366,967)	\$	(15,099,242)	\$ (18,569,813)	\$ (20,429,692)
Medical Expense (External and Internal)	\$ •	\$	(21,181,793)	\$	(48,355,072)	\$	(79,801,714)	\$ (119,004,486)	\$ (159,743,447)
Profit/Loss	\$ (7,840,728)	\$	(5,682,554)	\$	(2,833,719)	\$	(1,016,586)	\$ 2,430,978	\$ 7,760,328
Internal Medical Expense	\$ -	\$	4,236,359	\$	9,671,014	\$	15,960,343	\$ 23,800,897	\$ 31,948,689
CCH Net Contribution	\$ (7,840,728)	\$	(1,446,195)	\$	6,837,296	\$	14,943,757	\$ 26,231,875	\$ 39,709,018

## **Key Activities**

- Finalize and implement key vendors
  - Establish a strong operational plan with these key vendors
  - Establish meaningful operational oversight of key vendors
- Recruitment and staffing to successfully launch products
  - Within MADI
  - Within CCH Health Plan Services
- Network adequacy criteria
  - Provider contracts completed and providers credentialed before submission to CMS
  - CMS review and determination that the provider network meets full adequacy

## **Keys Activities**

- Benefits, Plan design and bid and Formulary
  - Contract for extra benefits
  - Submission to CMS
- Marketing Plan
  - Finalize sales strategy
  - Hire/contract and train sales force
  - Develop and get approval for marketing materials, enrollment forms, marketing presentations, provider directories

## Medicare.gov Star Rating

Overall Star Rating gives an overall rating of the plan's quality and performance

#### Five Key Areas

- Staying healthy: screening tests and vaccines: Whether members received various screening tests, vaccines, and other check-ups to help them stay healthy.
- Managing chronic (long-term) conditions: How often members with certain conditions got recommended tests and treatments to help manage their conditions.
- Member experience with the health plan: Member ratings of the plan.
- Member complaints and changes in the health plan's performance: How often members had problems with the plan. Includes how much the plan's performance improved (if at all) over time.
- Health plan customer service: How well the plan handles member calls and questions
- Pharmacy (Part D) Stars are also Critical

## **Keys to Success**

- Getting membership to scale quickly
- Plan is expected to realize additional financial benefit to Cook County Health from utilization occurring at Cook County Health facilities
- The pro forma assumes similar in-house utilization assumptions as achieved within CountyCare
- Medicare provider network is a much smaller subset of the current Medicaid network

## **Keys to Success**

#### Stars

- Significant implications to revenue and growth
- Work in year one has significant impact on Initial Star rating, which is published in 2022
- Affected by multiple parts of the organization

### Risk Adjustment

- Significant implications to revenue; can be used as a good tool for medical management
- Work each year has significant impact on future years

#### Provider Engagement

- Value based payments
- Support